

### From the Bar to the Bank and Back

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Rick Rhoads interviews Larry Braun, who returned to practicing law after 21 months as an investment banker.

Larry, after 18 years practicing law at Sheppard Mullin you joined Barrington Associates in November, 1999 as one of five managing directors. Why?

I wanted a new challenge. As a lawyer I often worked on mergers and acquisitions after the parties to the transaction were in place. I thought it would be fun and interesting to be involved earlier in the process, helping the seller prepare a business for sale and representing the seller in the search for a buyer and in negotiations with the buyer. I knew, liked, and respected the people at Barrington Associates and respected what they had done to build a great firm that closed so many significant deals. I expected to learn a lot, and I did.

In July, 2001, you returned to Sheppard Mullin as Chairman of the Corporate Practice Group. Why?

I discovered that I relished the role of trusted advisor that a corporate attorney has with his client. I liked that clients did not question my motivation and understood that I acted in their best interests. And I was eager to rejoin my friends at Sheppard Mullin, and to work again with my assistant, Michele Garcia. I looked forward to the opportunity to be in management again, where I could refer matters, team up with people, and help other lawyers succeed. And I enjoy some of the challenges of practicing law. I felt that what I had learned at Barrington Associates about the role of the investment banker would enhance my effectiveness as an M&A lawyer.

After seven months, has the move back to practicing law met your expectations?

It's been great! I returned at a challenging time. The economy was already in a downturn, then, after September 11, business in general and the marketplace for corporate deals in particular went into a trauma that it's just now emerging from. Having said that, I'm having more fun than I ever did. Some parts of legal practice will always be less inspiring than others, but a substantial part of what I'm doing now is a hoot.

What are you doing?

Lots of different things. Practicing with old and new clients who are involved in a variety of types of transactions and facing opportunities and challenges. Helping to manage the firm, including chairing the Corporate Practice Group, which has 70 lawyers statewide, and helping lead our marketing efforts. I completed the Maxicare transaction for Barrington. Especially from July through November I was occupied with having 15 corporate lawyers from Nida & Maloney join our firm, which gave us new offices in Santa Barbara and West LA. Then in September we opened a Del Mar Heights office.

Larry, what did you get yourself into?

I knew that the first eight months to a year would be particularly challenging while I helped build the infrastructure of the Corporate Practice Group and made other contributions to the management of the firm. Many of these extra tasks will become less demanding over time.

That's good to hear. Now that you've experienced M&A from the investment banking and legal sides, how would you describe the similarities and differences?

They are both essential. Investment bankers do a lot of things long before there is a buyer. And they bring a market to the table, which lawyers can't do. One of the things I bring to the practice of law is specific knowledge of what investment bankers do, how they do it, and the obstacles they have to overcome. Therefore, more than most lawyers, I can help business owners prepare years in advance to maximize their chances of obtaining their goals. I can even help them define their goals, which include price, terms, tax considerations, degree of involvement after the sale, and many other issues, including personal and family considerations.

Once an investment banker finds a buyer, the banker and the lawyer, or lawyers, work side by side. Most good investment bankers know a lot of the legal aspects, and good M&A lawyers know a lot about the financial aspects. They work together to help the client make the best decisions.

I understand that while in the role of investment banker you discovered some interesting things about the attorney-client relationship.

Too many business owners confided in me along the following lines: "Don't tell my lawyer this, but . . ." In dishearteningly many cases, the lawyer had been the business owner's attorney for many years and was a personal friend. I gave a presentation in November to the Corporate and Securities Law Committee of the United States Law Firm Group, of which Sheppard Mullin is a member, called "The View from the Other Side." In it, I cautioned against taking everything every client says at face value. I also suggested that lawyers spend more time understanding their clients' businesses and industries. Practical, smart business lawyers that care about their clients make all the difference.

**Based on what you've learned about the lawyer-client and investment banker-client relationships, what advice do you have for PNGers in those professions?**

The primary thing I've learned is that regardless of which role you are filling, if you truly care about your client more than anything else -- more than making money -- it really works. Put yourself in a position at your firm where you can do that. It's crucial, whichever profession you are in, to always deal with top quality, experienced people who care about their clients.

What has been your experience in PNG?

I've been a member for about 10 years, which suggests the value I've found in the organization. PNG is a tremendous place to find resources. Members do their best to get great results because they feel accountable to the client, the referrer, and the organization. Over the years, I've used tons of people in PNG: investment bankers, accountants, lawyers, valuation experts, consultants, insurance people. And I've met some of my best friends through PNG. Have I developed business through PNG? Yes, but I would say the bigger benefits of membership for me have been resources, which enable me to help my clients more, and friends.

By the way, what brought you to Sheppard Mullin in the first place?

After graduating from Rutgers College, I obtained a joint J.D.-MBA at Northwestern University. The business community in LA was not already locked up as it was in New York or San Francisco, so I thought there would be opportunity for a young guy. A fellow law student introduced me to Sheppard Mullin. I was attracted to the firm because at that time it had only 50 lawyers (there are 350 now), had top quality lawyers, and I could work directly with partners to become a great lawyer.

I understand that you are also a restaurateur.

I'm a limited partner in The Four Oaks Restaurant in Bel Air. Many of our members in Southern California area have dined there and enjoyed the romantic atmosphere and chef Peter Roelant's cooking. I'm also an investor in La Toque, in Rutherford, California. Ken Frank is the chef there, and as you might expect from its Napa Valley location, it is known for its wine list as well as its cuisine. *Wine Spectator* rated La Toque as one of America's Best Restaurants.

How did you become involved in the restaurants?

Happenstance. For example, I did legal work for Ken Frank.

What do you do outside of business?

I preserve time to spend with my wife, Adele, and our three boys, Matt, 16; Alex, 13; and Jeremy, 8. That involves, among other things, soccer, basketball, baseball, skiing, and homework. Adele is the Rock of Gibraltar in terms of keeping things going at home. Without her, it would be impossible to function the way I do at work. Every weekend I hike in the Santa Monica mountains and bike close to 50 miles. I also lift weights and do yoga. Every year our whole family goes to Kauai during the summer.

**Larry Braun** [ENC, BW], PNG-AC is a partner and Chairman of the Corporate Practice Group at Sheppard, Mullin, Richter & Hampton, LLP a 350-lawyer firm with seven offices throughout California. You can reach Larry, who specializes in M&A, bankruptcy transactions, and representing family/privately owned businesses, at 213/617-4184 or [lbrown@sheppardmullin.com](mailto:lbrown@sheppardmullin.com).

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## Attorneys

Lawrence M. Braun

## Practice Areas

Corporate

Mergers and Acquisitions